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YOUR EYES AND EARS ON THE ORGANIZED ELECTRIC MARKETS

CAISO ▪ ERCOT ▪ ISO-NE ▪ MISO ▪ NYISO ▪ PJM ▪ SPP

CAISO/West

Western Pathways Initiative Sets Budget, Seeks Funders (p.6)

MISO

FERC Rejects MW Cap, Approves MISO's Other Stricter Interconnection Queue Rules (p.13)

MISO Set on March Accreditation Filing, Stakeholders Push for Slowdown (p.14)

FERC & Federal

Phillips: FERC to Issue Transmission Rule in 'Very Near Future' (p.3)

FERC & Federal

Supreme Court Hears Oral Arguments on Overturning *Chevron* (p.4)

CAISO/West

Diablo Canyon Secures $1.1B DOE Award to Support Operations (p.7)

COVER: A key objective of the West-Wide Governance Pathways Initiative is to create a single regional electricity market that includes the California grid. |

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In this week's issue

FERC/Federal News

Phillips: FERC to Issue Transmission Rule in 'Very Near Future'

By James Downing

FERC Chair Willie Phillips on Jan. 18 expressed confidence that the commission will approve its Notice of Proposed Rulemaking on transmission planning and cost allocation this year (*RM21-17*).

Speaking at the commission's first open meeting of the year, Phillips' remarks came just days after nearly half the Democrats in Congress urged FERC to complete its work on the NOPR. (See related story, *Congressional Democrats Urge FERC to Complete Transmission Rule*.)

"We stand on the cusp of some significant milestones this year at FERC," Phillips said at the open meeting. "Building upon the foundation that we set last year including Order No. 2023 from last July, a landmark rule that will help streamline our interconnection queue process, we are poised to address critical aspects of regional transmission planning and cost allocation in the coming months. The importance of these upcoming actions on transmission cannot be overstated."

The NOPR's provisions will ensure the grid is robust and reliable, and the collective expertise at FERC will lead to a final rule that helps expand the grid and stands the test of time, he added. The NOPR, issued in April 2022, would direct transmission providers to revise their planning processes to identify infrastructure needs on a long-term, forward-looking basis and propose a list of benefits on which they would base their selections of proposed projects to meet those needs.

Phillips said he is confident that the current three-member commission could vote out the NOPR soon.

"I look forward to working on and voting on these important items in the very near future," Phillips said. "There's nothing that I know, that I can see, that can make me believe that we can't get this work done. It's too important for the American people."

FERC was holding its meeting after D.C., saw its first major snowfall in several years that was part of a winter storm system that stretched across much of the country. The weather stressed the grid, but it did not break as it had in previous storms such as December 2022's Elliott or February 2021's Uri.

"This event underscores the need for more transmission capacity," Phillips said. "SPP imported a record 6.8 GW from neighboring regions, surpassing the amount that was imported during Winter Storm Uri. But it's only mid-January. We've got a little bit more winter that's going to come through here, so we cannot rest. We have to remain vigilant."

Another aspect of transmission policy is increasing interregional transfer capability, which is currently being examined by NERC in a study that was mandated by Congress.

"I've been meeting with Jim Robb, the CEO of NERC," Phillips said. "My understanding is that they're not waiting. ... They've already hired folks to work on the study, and that it may not take the full 18 months. We are working on these two projects in parallel so that when NERC concludes its study, FERC is ready to act immediately."

Phillips also mentioned that the commission is working to implement its updated backstop siting authority under the National Interest Electric Transmission Corridor process. ■

Congressional Democrats Urge FERC to Complete Transmission Rule

By James Downing

Nearly half the Democrats in Congress sent a pair of identical letters to FERC on Jan. 16 urging the commission to finalize its proposed transmission planning and cost allocation rule.

Sens. Martin Heinrich (D-N.M.) and Ed Markey (D-Mass.) led the group of 21 senators from the party in sending the upper house's *letter*, while Rep. Paul Tonko (D-N.Y.) led the group of 113 House members in its version of the *letter*.

"In recent years, we have witnessed numerous examples of grid resilience issues, which have highlighted the inadequacy of the grid to handle changing load patterns, interconnect new clean energy resources and respond to increasingly frequent and severe extreme weather events," read both letters, which were addressed to FERC Chair Willie Phillips. "FERC's final rule should ensure that transmission planners account for these factors by requiring a long-term, forward-looking, 20-year planning horizon that addresses the changing circumstances and the evolution of our energy system."

Phillips has said since assuming the chair that he wanted to move forward the Notice of Proposed Rulemaking on transmission, which was issued in April 2022. The commission also has to issue an order on rehearing for Order 2023, which updated its minimum standards for interconnection queues around the country. (See *FERC Updates Interconnection Queue Process with Order 2023*.)

The congressional letters follow some from stakeholders last month urging FERC to complete the rule this year. (See *FERC Gets Growing Call to Finish Transmission Rule in 2024*.)

The Department of Energy has said improved and increased transmission is needed for reliability, affordability and clean electricity. The department's National Transmission Needs Study found capacity will need to double in many parts of the country by 2035 to meet the Biden administration's clean energy goals, assuming just moderate load growth, the members said.

"In order to grow our economy, keep communities safe during extreme weather events, address historic environmental injustices and decrease energy costs for consumers, a robust and well-planned transmission grid is essential," the letters said. "With a strong final rule, FERC can play a critical role in achieving these goals, fulfilling the promise of the most consequential infrastructure and climate laws in history."

The Inflation Reduction Act and the Infrastructure Investment and Jobs Act have committed the country to a historic energy transition, they said, but the electric grid needs to be expanded to make that possible.

Americans for a Clean Energy Grid Executive Director Christina Hayes welcomed the support for finalizing the rule from Congress.

"The grid is in need of a 21st-century update, and the reforms currently pending at FERC will go a long way toward increasing the reliability and resiliency of our energy system and ensuring the delivery of cost-effective energy to all Americans," Hayes said in a statement. "We will continue to work closely with FERC to help finalize a durable rule that advances the development of high-capacity transmission for the benefit of customers throughout the country." ■

FERC/Federal News

Supreme Court Hears Oral Arguments on Overturning *Chevron*

By James Downing and Rich Heidorn Jr.

The Supreme Court heard more than three hours of oral arguments Jan. 17 in a case that conservatives hope will reduce the authority of federal regulatory agencies and that the Biden administration warned could cause a "convulsive shock to the legal system."

At stake is the *Chevron* doctrine, the result of a 1984 Supreme Court ruling (*Chevron U.S.A. v. Natural Resources Defense Council*) in which the court set out a two-step process for judicial review of administrative actions: The court must first decide if Congress had spoken on the issue. If so, its intent must be followed. If the statute's meaning is unclear, and the agency action was reasonable, the court should defer to the agency rather than imposing its preference.

The challenge — *Relentless, Inc., v. the Department of Commerce* and *Loper Bright Enterprises v. Gina Raimondo, Secretary of Commerce* — asks the court to overturn a Commerce Department rule requiring herring fishermen to pay for monitors hired to enforce rules against overfishing.

The question presented to the court is whether it "should overrule *Chevron* or at least clarify that statutory silence concerning controversial powers expressly but narrowly granted elsewhere in the statute does not constitute an ambiguity requiring deference to the agency."

It's clear that at least some of the court's conservative majority want to narrow, if not reverse *Chevron*.

Justice Neil Gorsuch urged his colleagues to take action in a 2022 dissent, writing that *Chevron* "deserves a tombstone no one can miss." (Ironically, Gorsuch's mother, Anne, headed EPA during the Reagan administration, when *Chevron* was handed down — a ruling that upheld the agency's relaxation of pollution rules.)

The Biden administration says *Chevron* is a "bedrock principle of administrative law," having been cited by federal courts more than 18,000 times, including more than 70 Supreme Court rulings. Supporters, including the Natural Resources Defense Council, say it is needed to ensure the more than 650 federal judges do not issue conflicting rulings that would prevent industry from having regulatory certainty.

Attorney Roman Martinez, who argued on behalf of fishing company Relentless Inc., contended that *Chevron* conflicts with the Constitution's directive that judges "apply their own independent judgment" and eliminates a needed check on executive power. *Chevron* opponents say it undermines regulatory certainty because it allows agencies to change policies with new administrations.

The Supreme Court case challenging the Chevron doctrine was filed by herring fishermen angry over being charged for the cost of monitors to prevent overfishing. | *NOAA Fisheries/Calvin Alexander*

Much of the arguments revolved around the practical impact of overturning *Chevron.* Martinez argued that the doctrine of *stare decisis* would prevent a flood of relitigation for cases that were settled using the *Chevron* doctrine.

Justice Amy Coney Barrett asked whether that would really be the case.

"So, isn't it inviting a flood of litigation even if for the moment those holdings stay intact?" she asked.

Any such arguments would have to overcome the stare decisis test, which would mean showing the agency is "really wrong" and the issue "really practically important," Martinez said.

Martinez said the court could revert to the *Skidmore* standard, which allows a federal court to confer greater or lesser deference based on the agency's ability to support its position. "We would be very comfortable with *Skidmore*," he said.

But Justice Elena Kagan dismissed "the idea that *Skidmore* is going to be a backup once you get rid of *Chevron*."

"*Skidmore* has always been nothing," she said.

Drug or Dietary Supplement?

Kagan asked Martinez about a couple of examples from *Chevron* cases in the past, such as whether a new product meant to promote healthy cholesterol levels is a drug or a dietary supplement.

Martinez said it would depend on the understanding of the text in the relevant statute — a legal question for the courts.

If the law is ambiguous on that question, should the court make the call without deference to the regulator? Kagan asked.

"There are going to be hard questions, but I think the court would bring all the traditional tools of construction to bear," Martinez said.

Courts are very rarely in the position of having to overturn a decision where an agency thinks the law means one thing, but the court says another, Kagan said.

"Sometimes there's a gap. Sometimes there's a genuine ambiguity. … In that case, I would rather have people at [Health and Human Services] telling me whether this new product was a dietary supplement or a drug."

Gorsuch acknowledged that Kagan's examples were difficult legal questions.

"One option would be to say it's ambiguous and, therefore, the agency always wins," Gor-

FERC/Federal News

such said. “That’s what I understood *Chevron* to mean, at least coming in here today.”

Gorsuch and Martinez then got into a back and forth about how regulations can go through some major changes depending on which party is in the White House.

“*Chevron* really is a reliance-destroying doctrine,” Martinez said. “Imagine if you’re a person or a regulated entity and you’re trying to figure out what the law is. You should be able to rely on the best interpretation of the law and not have to, you know, check the [Code of Federal Regulations] every couple years to see if the law has somehow changed, even though Congress hasn’t acted.”

Shock to the System

Solicitor General Elizabeth Prelogar said that overturning *Chevron* would be a shock to the system.

“The *Chevron* framework is a bedrock principle of administrative law with deep roots in this court’s jurisprudence,” Prelogar said. “Overruling a precedent is never a small matter, but overruling a precedent as foundational as *Chevron* should require a truly extraordinary justification, and petitioners don’t have one.”

Gorsuch, however, said *Chevron* can lead to plenty of instability.

“Each new administration can come in and undo the work of a prior one,” Gorsuch said. “[The rules are] all reasonable,” he joked, prompting laughter. “I mean, my goodness, the American people elect them.”

Prelogar argued that such instances are rare.

“Agencies themselves build on those regulations as a foundation,” Prelogar said. “There’s no evidence that agencies are out there flip-flopping left and right or doing so on a whim.”

Justice Ketanji Brown Jackson said that such changes are inherent in the democratic form of government, where presidents are elected based in part on voters’ preferred policy determinations.

“I guess my concern is, I suppose judicial policymaking is very stable, but precisely because we are not accountable to the people and have lifetime appointments,” Jackson said. “So, if we have gaps and ambiguities in statutes and the judiciary is coming in to fill them, I suppose we would have a … separation of powers concern related to judicial policymaking.”

Chief Justice John Roberts asked Martinez how pertinent the *Chevron* issue was because the Supreme Court rarely uses the precedent in its opinions, having last done so in 2016.

Martinez said the lower courts use it and that the two fishery cases show the main issue with its application.

“They’re essentially getting to a point where they don’t really have to figure out the best answer. … Instead of asking what does the statute mean, they can ask a different threshold question, which is, is this statute ambiguous enough that we should just, you know, let the agency do the work for us?” Martinez said.

Conflicting Rulings

The challenge drew more than 70 friend-of-the-court briefs, mostly from conservative-leaning organizations. *The New York Times* reported this week that the lawyers representing one set of plaintiffs, who are working pro bono, also work for Americans for Prosperity, an anti-regulatory group funded by Charles Koch, the chairman of Koch Industries.

In its *amicus brief*, the NRDC noted that it supports *Chevron* even though it was the losing plaintiff in the case that produced the precedent.

The cases that produced *Chevron* stemmed from 1977 Clean Air Act amendments that required large new stationary sources located in the nation’s most polluted areas to use the most stringent emission controls.

In 1980, EPA issued a regulation that applied these requirements whenever a large new industrial unit, such as a boiler or blast furnace, was added. Under Anne Gorsuch, EPA reversed its position and allowed states to avoid the requirements by redefining “source” as an entire industrial plant.

The change, which became known as the “bubble concept,” meant that most large new industrial projects were exempt from the new requirements.

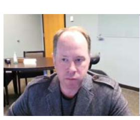
The D.C. Circuit Court of Appeals ruled three times on the matter, with two panels reaching opposite conclusions about the “bubble concept” before the court, in an opinion by Ruth Bader Ginsburg, overturned the EPA rule. The Supreme Court overruled the Ginsburg ruling, holding that EPA’s plant-wide definition of the term “source” was a “permissible construction of the statute.”

“NRDC could well win more cases if *Chevron* is overruled,” the group wrote the court. “After all, NRDC challenges more agency actions than we defend, and agency interpretations generally fare better under *Chevron* than they do without it.” ■

National/Federal news from our other channels

DOE Partners with HVAC Industry on Cold Climate Heat Pumps — NetZero Insider

NERC Submits IBR Work Plan to FERC — ERO Insider



NERC Standards Committee Organizes for New Year — ERO Insider

NERC Taking Comments as Winter Reliability Standard Deadline Looms — ERO Insider

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CAISO/West News

Western Pathways Initiative Sets Budget, Seeks Funders

Group Selects Law Firm to Conduct Calif. Legal Analysis, Shifts Timeline for New Entity

By Robert Mullin

Backers of an effort to create the framework for an independent Western RTO know how much money they'll need to get things off the ground this year. Now they're seeking funders to help foot the bills.

"We have a budget estimate of about $570,000 to get us through the next several months," Jim Shetler, general manager of the Balancing Authority of Northern California, said during a Jan. 19 virtual meeting of the *West-Wide Governance Pathways Initiative* (WWG-PI).

Shetler is co-chair of the initiative's Priority Admin Work Group, part of the Launch Committee tasked with establishing the entity.

Kathleen Staks, executive director of Western Freedom and the Launch Committee's co-chair, said donations will help cover costs for the legal analysis the group will perform over the next few weeks, project management and the creation of a nominating committee to select the entity's board of directors.

Staks encouraged meeting participants to contact their Pathways Initiative sector representative to arrange donations and said she was "feeling very positive" about the diverse set of commitments the group has received so far.

"I know for us an area of information that's important is the disclosure of funding and who is funding — and the amounts," Puget Sound Energy's Jessica Zahnow said. "I really appreciate what you shared today about the bridge funding for the $570,000, and it sounds like that's expected to kind of bridge for a period of months. But disclosures around that [are] really helpful as we see who's engaged."

Staks also told stakeholders the Pathways Initiative on Jan. 18 submitted its application to the Department of Energy to obtain $400,000 in annual funding over the next two years through an agency Funding Opportunity Announcement.

"This was the full application for the stakeholder engagement framework project proposed in the concept paper last fall," Staks told *RTO Insider* in an email. (See *Western RTO Group Seeking $800K in DOE Funding*.)

That *paper* explained the need for the grants and described how they would be used, including to support "leadership, staffing, virtual meetings and administrative support"; facilitate four in-person meetings per year; and provide funding for 50 people to attend those quarterly gatherings.


A key objective of the West-Wide Governance Pathways Initiative is to create a single regional electricity market that includes the California grid. | *© RTO Insider LLC*

Staks said the committee soon will post the proposal it submitted with the DOE application on the initiative's *landing page* on the *Western Interstate Energy Board* website.

Definition of 'Manage'

Speaking for the Launch Committee's Functions and Scope Work Group, Evelyn Kahl, director of policy for Cal-CCA, told meeting participants that, after reviewing 16 law firms, the committee selected Perkins Coie to perform legal analysis for the effort.

The firm will first tackle what changes to California law would be needed to shift parts of *CAISO's* governance to either the Western Energy Imbalance Market or a new regional organization. That analysis will factor in the range of Pathways Initiative governance options the committee shared with stakeholders at its meeting last month. (See *Western RTO Initiative Outlines Governance Options*.)

"Central" to the analysis, Kahl said, is California Public Utilities Commission Code Section 345.5 and state Corporations Code 5210, which oblige CAISO to "manage" the state's electricity market.

"We'll be assessing what 'management' means under these statutes, and in approaching the question, we'll be looking at various aspects of governance, like the level of authority that's granted to the WEIM, or regional organization, and whether it's joint, primary or sole jurisdiction relative to the CAISO," Kahl said.

"There's a general sense that there may be changes that we can make without a change in California law to move the needle toward independent governance, but that somewhere along the spectrum, we're going to be required to make a change to California law. So, we're trying to figure out where is that and what kind of changes will be required," she said.

Staks told *RTO Insider* the committee hopes to complete the legal analysis within the next couple of months.

"The analysis will help the Launch Committee identify the preferred structure, functions and scope of the new regional organization, including the legislative and legal steps and timing necessary to get there," she said.

Asked whether the committee hopes to finish in time to influence the current California legislative session, Staks said the group "does not engage in any lobbying efforts in California or any other state."

Getting It Right

During the Jan. 19 meeting, Lauren Tenney Dennison, director of market policy and grid strategy with the Public Power Council, asked whether the Launch Committee still expected to stand up an independent entity by late spring, in line with an earlier schedule.

Staks said the group still is trying to "nail down" the timeline and will not hit that target.

"I think we want to make sure we get the legal analysis done, and that is really going to help us make a more concrete decision and timeline that is associated with where we ultimately want to go with this," Staks said.

Group members "are really committed to doing this as thoroughly and with as much input to increase our likelihood of success," Staks said. "So, the timeline as we originally thought has shifted, but I think that's OK." ■

CAISO/West News

Diablo Canyon Secures $1.1B DOE Award to Support Operations

By Robert Mullin

PG&E's Diablo Canyon nuclear plant | *The Breakthrough Institute*

Pacific Gas and Electric's Diablo Canyon Power Plant will be the first recipient of federal funds being made available to shore up operations at U.S. nuclear plants that face imminent closure.

The Department of Energy on Jan. 17 awarded the California utility $1.1 billion to help maintain operations at the 2,200-MW nuclear plant, whose two units had been slated for closure in 2024 and 2025.

DOE is providing the money through the Civil Nuclear Credit (CNC) Program, established in 2022 with $6 billion from the Infrastructure Investment and Jobs Act (IIJA) to head off the shutdown of nuclear plants from economic factors. Under the terms of the program, applicants must commit to "best efforts" to use uranium produced in the U.S. and seek to rely on domestic providers of other services.

PG&E is the first plant operator to win money under the first funding cycle of the CNC program. The utility will receive credits in installments paid over four years, "with the amount of the annual payment to be adjusted based on a number of factors, including actual costs incurred to extend the operation of the Diablo Canyon Power Plant," according to DOE.

The first payment is scheduled for 2025 and will be based on the plant's operations over 2023/24.

"Preserving the nation's nuclear fleet is critical not only to reaching America's clean energy goals, but also to ensuring that homes and businesses across the country have reliable energy," Maria Robinson, director of DOE's Grid Deployment Office, said in a statement about the award. "Today's announcement demonstrates the [Biden] administration's commitment to domestic nuclear energy by preserving existing generation while we continue to support a stronger nuclear power industry."

Located on the West Coast near Avila Beach, Calif., the 2,200-MW Diablo Canyon plant provides about 9% of California's in-state generation and 15% of its emissions-free energy.

The plant had been scheduled to close in stages starting this year, largely in response to concerns about its vulnerability to earthquakes. Those concerns increased sharply in the aftermath of the 2011 major accident and radiation release at the Fukushima Daiichi nuclear plant, which was caused by an earthquake and ensuing tsunami.

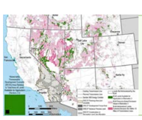
But since California's rolling blackouts of 2020, state officials — including Gov. Gavin Newsom — have expressed growing worries about how to maintain grid reliability without the plant as the state works to meet ambitious targets to reduce its economywide carbon emissions. In 2022, Newsom signed *Senate Bill 846*, which directed the California Public Utilities Commission to authorize an extension for Diablo Canyon by December 2023.

The CPUC last month voted 3-0 to keep Units 1 and 2 at the plant running until 2029 and 2030, respectively. In approving the extension, the commission said it would continue to evaluate whether the cost of continued operation becomes "too high to justify incurring," as outlined in SB 846. (See *California PUC Votes to Extend Diablo Canyon Nuclear Plant 5 Years*.)

PG&E is still awaiting approval for an extension to its operating license from the U.S. Nuclear Regulatory Commission after filing a renewal application last November. ■

West news from our other channels

Wash. Bill Seeks Increased Monitoring of Petroleum Sector — NetZero Insider



Feds Update Solar Development Roadmap in West — NetZero Insider

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CAISO/West News

NM Regulators to Explore Findings on Day-ahead Market at RTO Workshop

By Elaine Goodman

The New Mexico Public Regulation Commission will dive into a report on the financial implications of a Western day-ahead electricity market during a workshop Jan. 25.

The workshop is part of the PRC's research into the pros and cons of utility participation in a regional day-ahead market or RTO. The PRC plans to develop "guiding principles" for utilities to consider in deciding whether to participate.

During the workshop, the regulators will hear a presentation from Energy+Environmental Economics on the cost-benefit study, which E3 prepared for the Western Markets Exploratory Group. WMEG is a coalition of transmission-owning entities covering most of the Western Interconnection. (See *Study Shows Uneven Benefits for Calif., Rest of West in Single Market*.)

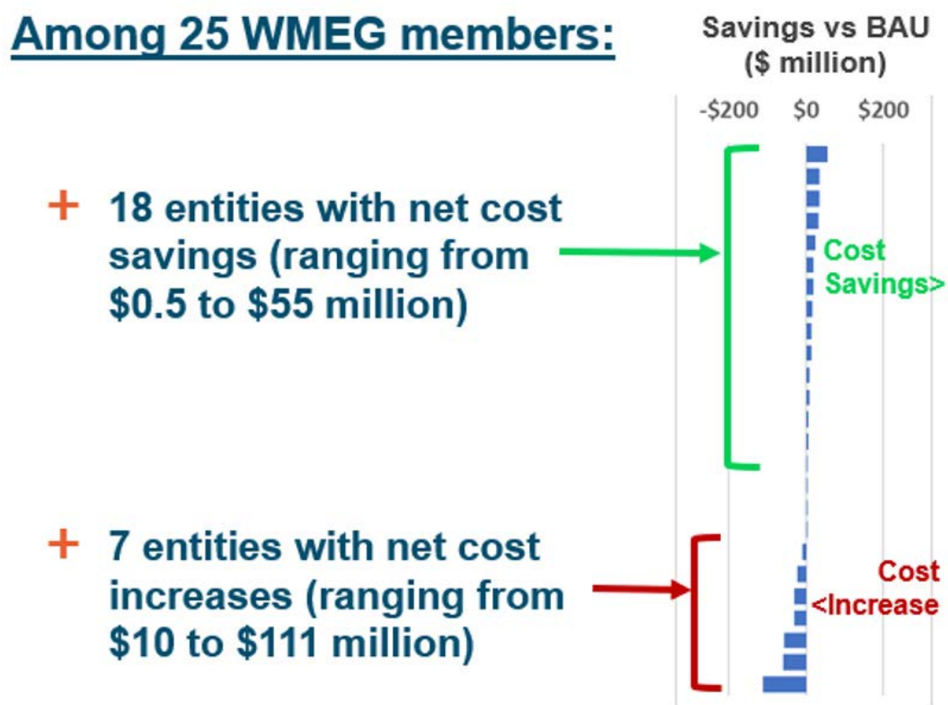
E3 also conducted additional economic analysis for individual WMEG members. Results for two New Mexico utilities — Public Service Company of New Mexico (PNM) and El Paso Electric (EPE) — will be shared during the workshop.

Commissioner Gabriel Aguilera said there are several issues to consider in an RTO or day-ahead market decision, including transparency, seams and reliability.

But from a regulator's perspective, the most important questions are "will the market design lead to financial benefits to ratepayers?" and "will the benefits outweigh the costs?" Aguilera told *RTO Insider*.

The commission doesn't currently have a timeline for finalizing its guiding principles, but Aguilera acknowledged the need to act quickly.

PNM has said it expects to decide this year on joining a regional day-ahead market. The two options are CAISO's extended day-ahead market (EDAM) or SPP's Markets+ offering.



New Mexico commissioners will discuss the findings from a Western Markets Exploratory Group study that shows utilities could see varying economic benefits — and, in some cases, costs — from participating in CAISO's EDAM. | *Western Markets Exploratory Group*

In December, FERC approved the tariff for EDAM. And SPP expects to file a Markets+ tariff with FERC early this year. (See *CAISO Wins (Nearly) Sweeping FERC Approval for EDAM* and *IMIP Approves SPP Markets+ Governance Tariff Language*.)

The upcoming meeting is a follow-up to a *workshop* in September that featured presentations from PNM, EPE and Southwestern Public Service Co. (See *New Mexico Contemplates Organized Market Choice*.) PNM and EPE will give an update during the upcoming meeting, according to the *agenda*.

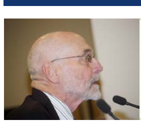
Aguilera said the commission is seeking as much input as possible.

The workshop will begin at 2 p.m. MST. Those who wish to comment may attend in person or via Zoom.

To attend the meeting via Zoom, email public.comment@prc.nm.gov or call (505) 490-7910. The deadline to sign up for public comment is 5 p.m. Jan. 24, or 5 p.m. Jan. 19 for those who want to participate in the meeting's question-and-answer session.

The meeting will also be streamed on the PRC's YouTube *channel*. ■

West news from our other channels



Bill Seeks to Study OSW Impact on Wash. Marine Ecosystem

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Washington Auto Show Highlights Partisan Divide on EVs, Industrial Policy

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Abbott Names PUC Executive Director as Chair

Commission Finalizes IMM Contract with Potomac Economics

By Tom Kleckner

Thomas Gleeson, the PUC's executive director, has been named as its new chair. | © *RTO Insider LLC*

Texas Gov. Greg Abbott on Jan. 19 appointed Thomas Gleeson, the *Public Utility Commission's* executive director and a 15-year staffer, to chair the PUC in a term that expires Sept. 1, 2029.

Gleeson replaces Kathleen Jackson, who has served as the PUC's interim chair since June. The appointment also brings the commission to four members, one short of capacity.

In a statement supplied by the PUC, Gleeson said he was "deeply honored" by the appointment and that his three years as the commission's executive director had prepared him for the moment.

"I know full well the magnitude of the responsibility being placed upon me," Gleeson said. "The [PUC's] work touches every Texan by ensuring reliable, affordable and accessible electric, water and telecom service. I look forward to working with my fellow commissioners and the extraordinary [PUC] team ... to continue strengthening utility services critical to the daily lives of all Texans."

"Thomas Gleeson's longtime service at PUC and wealth of knowledge make him the ideal choice for chair of the commission," Abbott said in a *statement*.

Texas lawmakers overhauled the PUC after the disastrous and deadly winter storm in 2021, raising the commission's membership from three to five and serving staggered, six-year terms. Prior to that, the commissioners reached quorum under the state's open meeting laws when in one-on-one discussions with each other.

However, Chair Peter Lake's resignation in June and Will McAdams' in December reduced the PUC to three commissioners. (See *McAdams Honored During Last Texas PUC Meeting*.)

A veteran of 15 years on the commission staff, Gleeson was named the commission's executive director in December 2020. He previously served as the commission's COO, as its director of finance and administration, and as a fiscal project manager. Gleeson also was a legislative analyst for the Texas Senate and a budget analyst for the Legislative Budget Board.

He holds a bachelor's degree in business administration from Southwestern University and a master's in public administration from The Bush School of Government and Public Service at Texas A&M University.

Gleeson's appointment still must be confirmed when the Senate next meets in a special session or during the 2025 Legislature.

Potomac Keeps IMM Contract

The PUC also said Jan. 19 it has finalized a four-year, multimillion-dollar contract with *Potomac Economics* to serve as ERCOT's Independent Market Monitor through 2027.

The *contract*, signed Dec. 28, is not to exceed $22.5 million, with Potomac responsible for any overage.

According to its language, Potomac must hire a director and staff to carry out day-to-day monitoring functions. However, Potomac has agreed to use its "best efforts" to avoid any staffing changes and also to remove any IMM staff the PUC "finds unacceptable for reasons related to their experience, qualifications or performance of services in the [PUC's] sole discretion."

The commission must vote during an open meeting to request Potomac to remove the IMM director.

Carrie Bivens resigned as the IMM's executive director in November. ERCOT pushed back against several of the IMM's reports last year that indicated the grid operator's heavy use of ancillary services created artificial supply shortages that produced "massive" inefficient market costs totaling about $12.5 billion through November. (See *Bivens Resigns as ERCOT's Market Monitor*.)

ERCOT's staff plans to revisit its use of ancillary services and report back to stakeholders in April.

David Patton told *RTO Insider* he expects to announce a director in the very near future. "The search is well underway," he said. "The IMM team is doing a great job as we search for a new director."

Potomac has held the ERCOT contract since 2007. It also monitors the ISO-NE, MISO and NYISO markets. ■

ERCOT News

ERCOT Meets Demand, Sets New Winter Peaks

By Tom Kleckner

ERCOT set a new winter peak for demand Jan. 16 as it easily met demand during a frigid blast that pushed temperatures 30 to 50 degrees below normal in Texas.

The grid operator had expected electricity consumption to match the record levels set last summer, projecting demand as high at 86 GW as the winter storm approached. However, demand averaged 78.14 GW during the interval ending at 8 a.m. Jan. 16.

That broke the previous winter mark set the day before, when demand averaged 76.34 GW during the 9 p.m. interval, surpassing the previous record of 74.53 GW set in December 2022. It also exceeded ERCOT's earlier all-time peak of 74.53 GW set in 2019.

The grid operator thanked Texas residents and businesses on X.

ERCOT staff have successfully met record winter demand. | © *RTO Insider LLC*

"Your conservation efforts, along with additional grid reliability tools, helped us get through record-breaking peak times today and yesterday morning," it *posted* Jan. 16.

ERCOT was also boosted by energy storage and solar resources. Batteries peaked at more than 1,200 MW during the early morning hours Jan. 16; solar produced a record 14.21 GW of energy at 10:40 a.m.

The grid's staff said in December that there was a 1-in-6 chance of outages this winter if conditions matched those of the 2022 winter storm. While the temperatures have been frigid — Dallas has been below freezing since the afternoon of Jan. 13, with a low of 11 degrees Fahrenheit the morning of Jan. 15 — thermal outages were slightly below average at 7 GW.

Texas Gov. Greg Abbott (R) *took to X* to praise ERCOT's "flawless" performance, a credit, he said, to recent measures to weatherize critical facilities and strengthen the grid.

Wholesale electricity prices hit $500/MWh during one 15-minute interval the morning of Jan. 16 but have generally stayed below $200/MWh since Jan. 13. ■

ISO-NE News

ISO-NE Details Resource Modeling Plans for Capacity Accreditation

By Jon Lamson

ISO-NE provided stakeholders with additional detail on its *plans* for modeling capacity demand and resource reliability attributes as the RTO and stakeholders continued work on the resource capacity accreditation (RCA) project at the NEPOOL Reliability Committee meeting Jan. 16.

"Improvements are required to the Resource Adequacy Assessment (RAA) used currently to calculate capacity requirements (demand) and develop resource-specific accreditation values," said Fei Zeng, ISO-NE technical manager.

ISO-NE is working to improve the RAA modeling to better assess the risks and severity of loss-of-load events, and how different resources would affect system reliability during these periods. The RTO is trying to better capture resource reliability performance under different weather and system loading conditions, and with different resource mixes.

The RAA resource modeling includes specific cases focused on season risk, resource accreditation, and system and zonal capacity requirements.

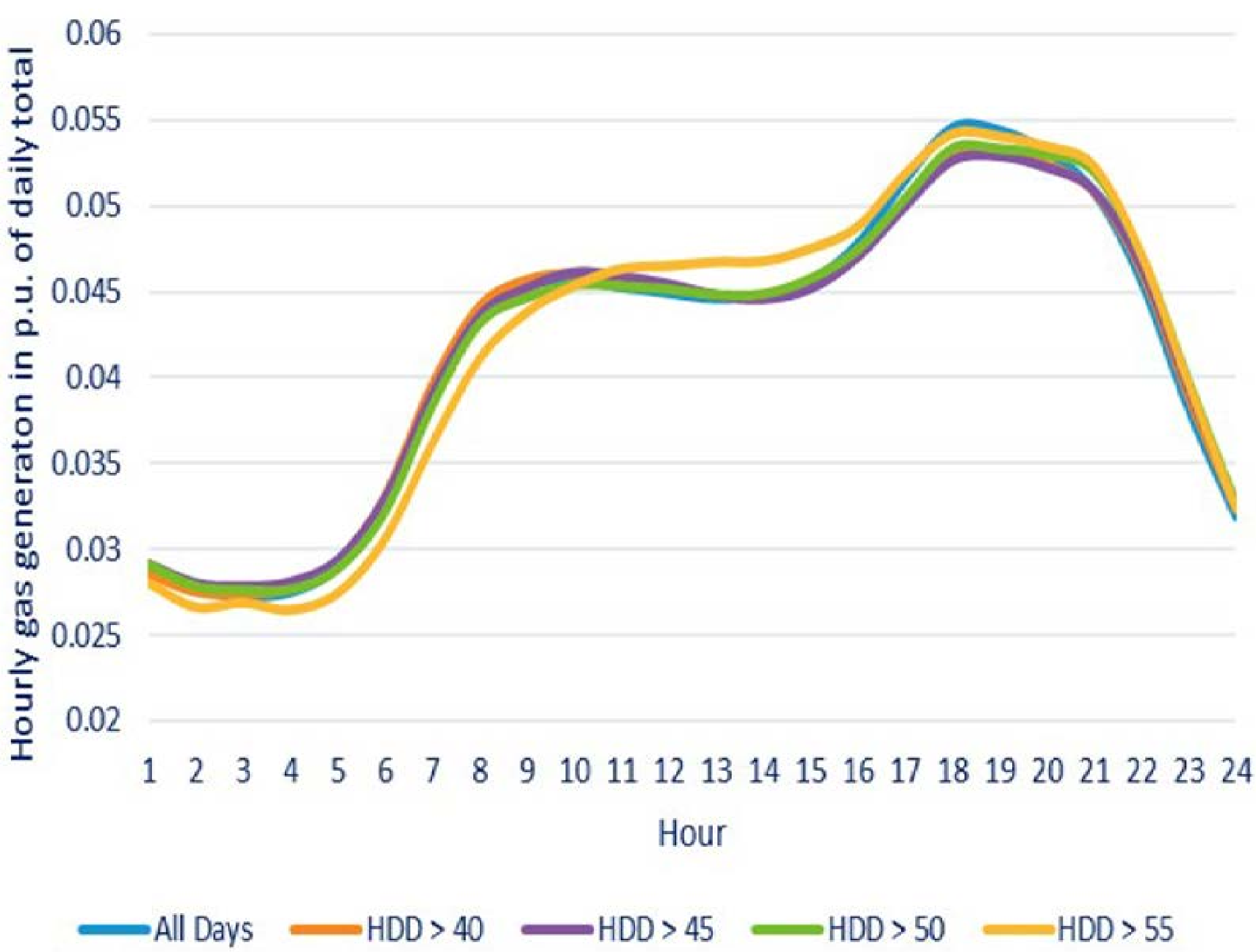
ISO-NE has outlined four different modeling options for different resource types: thermal modeling based on seasonal qualified capacity and outage rate; profile modeling based on an "hourly expected performance profile"; storage modeling based on expected energy limitations; and perfect capacity modeling, based on seasonal qualified capacity.

At the January RC meeting, Zeng detailed which modeling options would be used for different resource types:

- Thermal model: nuclear, coal, fuel cell, nonintermittent hydro, imports, tie benefits and (from March to November) gas and oil resources.
- Profile model: active and passive demand resources, and intermittent resources like solar, wind and landfill gas.
- Storage model: battery storage and pumped hydro.
- Perfect capacity model: distributed energy capacity resources and co-located generators that function as a single capacity resource.

For peak winter months, ISO-NE is proposing to take a more varied approach to modeling oil, gas and dual-fuel resources, instead of just using the thermal model, which would apply to them in all other months.

From December through February, gas resources would be modeled as a single fleet



Daily gas available for generation based on heating degree day | *ISO-NE* using the profile model, intended to account for gas network limitations and demand from local gas distribution companies.

"A regression model is used to establish a relationship between the amount of daily gas available to generation and temperature conditions based on historical data," Zeng said. "The daily available gas will be apportioned to each hour during the day based on historical hourly gas generation patterns and the representative heat rate of the gas fleet."

For oil resources, ISO-NE proposes using the thermal model for residual fuel oil (RFO) resources in all RAA cases and for distillate fuel oil (DFO) resources in the accreditation and capacity RAA cases.

For the RAA seasonal risk assessment, ISO-NE would model DFO resources as an "aggregate energy storage resource with a limited amount of energy available during a two-week period."

Zeng noted that DFO resources have smaller storage tanks than RFO resources, causing them to exhaust their stored fuel more quickly and require more frequent replenishment. Because of variability in tank sizes and replenishment strategies, "DFO resource risks are better captured on a fleet level," Zeng said.

The two-week DFO energy constraint would be based on data from the past five winters.

Fuel Requirements

To compare the reliability benefits of different types of resources that rely on a limited supply of energy, ISO-NE proposes creating a "daily operating hours requirement" (DOHR), which would equal the number of hours per day a resource must be able to operate at its seasonal capacity rating during peak winter months. Resources that can't meet this requirement would have their qualified capacity derated.

The RTO would use RAA results to calculate the daily operating requirement and would update the requirement at each capacity auction. ISO-NE also is considering a winter peak seasonal operating hours requirement (SOHR) and a fuel storage hours requirement (FSHR) for stored fuel resources. The calculation of SOHR and FSHR would consider RAA results and historical weather data.

FSHR would be calculated by "multiplying the DOHR by the number of days in a winter cold snap," said Alex Mattfolk of Levitan & Associates (LAI), which is working as a consultant for ISO-NE on the project. For this calculation, the consulting firm has determined that modeling a four-day cold snap would cover more than 99% of days.

The seasonal requirement would be determined by multiplying the DOHR by the number of days cold enough to significantly stress the grid. LAI determined that 11 days would cover over 99% of days.

Operationally Limited Resources

Mattfolk also presented on the firm's proposal for "operationally limited resources" — gas plants that typically are unable to run on cold days due to "physical and/or operational constraints on gas delivery." These resources would not be credited with any qualified capacity.

LAI proposes to flag operationally limited resources based on historical performance during cold periods. Flagged resources could appeal their designation by providing evidence the gas constraint no longer applies or that the lack of operations was due to some unrelated factor. ■

MISO News

FERC Rejects MW Cap, Approves MISO's Other Stricter Interconnection Queue Rules

By Amanda Durish Cook

FERC didn't completely buy into MISO's package of stricter rules to lighten its gridlocked interconnection queue, rejecting the RTO's proposed annual megawatt cap on project submittals.

The commission Jan. 19 denied MISO's proposal to use a formula to calculate an annual megawatt cap on the generation projects it will accept into its generator interconnection queue (*ER24-340*). MISO intended for the cap to help solve its project backlog and prevent annual surges of project entrants.

However, FERC signaled it might be open to a cap with different design elements. The commission said it couldn't greenlight MISO's cap because of concerns over a section of the cap's formula, proposed exemptions to the cap and MISO's lack of attention on resource adequacy when designing the cap.

"MISO has provided evidence that a cap in some form could be beneficial," FERC said.

FERC OK'd other provisions on queue entry and exit that MISO submitted to reduce the size of its generator interconnection queue. In addition to its request to place an annual megawatt limit on project proposals, MISO proposed to double entrance and staged fees; institute automatic and escalating penalty charges; and require developers to confirm they're able to obtain land for projects. (See *MISO Relaxes Proposal on Stricter Queue Ruleset*; *MISO's More Stringent Interconnection Queue Rules Go Before FERC*.) FERC said the trio of new rules "will help improve the readiness and quality of interconnection requests" and can go into effect Jan. 22.

FERC said MISO demonstrated that its current queue requirements "are not stringent enough to deter interconnection customers from submitting speculative interconnection requests into the queue, nor strong enough to prompt unready projects to exit the queue at the earliest opportunity, as underscored by the volume of submitted interconnection requests and withdrawals that MISO has experienced in recent queue cycles."

Though MISO proved it has a problem on its hands, FERC said the megawatt cap proposal is faulty because it allowed an unlimited number of exemptions to the cap.

MISO wanted to allow developers to exceed the cap when projects are intended for load-serving obligations, have a power purchase agreement, are an approved generator replacement facility or are requesting to convert their unguaranteed level of interconnection service to firm service.

"Although MISO's initial proposed formula includes a 5% margin to account for exemptions (which would have the effect of decreasing the cap value to be established), MISO proposes no limit on the exemptions that may enter a queue cycle beyond the established cap," FERC explained.

FERC said it was concerned the exemptions on certain projects could create "priority access" to MISO's queue and violate the commission's open access requirements for generator interconnections.

FERC also said the formula MISO planned to use to calculate the cap for each of its study regions annually was a head-scratcher. It said MISO's formula inexplicably called for calculating load remaining to be served after existing generation and higher-queued generation proposals are dispatched at the lowest possible megawatt output while remaining online. FERC said the minimum output levels don't mimic actual or expected system conditions, and it's unclear why MISO would use them in its cap formula.

MISO intended the megawatt cap formula to be based on its ability to develop a reasonable dispatch for studying interconnection requests based on the existing system and considering regional and subregional peak loads.

Finally, FERC said MISO needed to factor its own future resource adequacy needs into the cap's design, especially with capacity shortfalls on the horizon.

FERC said it agreed with National Grid and Steelhead that a cap must strike a "balance between limiting the volume of requests to a level that can be processed efficiently and avoiding unnecessary barriers to entry that will delay the development of the generation capacity needed to meet growing supply shortages within the MISO region."

The megawatt cap proved the most unpopular aspect of MISO's plan among stakeholders who commented on the FERC filing. (See *MISO Champions Queue Crackdown as Stakeholders Blast MW Cap on Project Entries*.)

However, Commissioner Mark Christie said he supported the controversial cap in a partial dissent to the order.

"Faced with a tsunami of interconnection requests from generation developers — many speculative, and which will never be built — MISO seeks to ameliorate its interconnection studies process in the near term with a cap on applications," Christie wrote. "A cap is admittedly a blunt instrument, but it is also a logical one if the goal is to enable MISO to focus its undeniably limited resources to maintain an orderly and efficient interconnection process."

Christie said FERC's concern that the exemption provision would be so heavily used that it would dilute the cap was pure speculation. He also said cap exemptions for generation projects necessary to serve load are appropriate because they keep resource adequacy decisions in the hands of states. ■

| Solar Energy Industries Association

MISO News

MISO Set on March Accreditation Filing, Stakeholders Push for Slowdown

By Amanda Durish Cook

CARMEL, Ind. — MISO said it has landed on a final design in its quest to move to a sweeping capacity accreditation that will better measure generators' availability based on predetermined risky hours.

That's despite stakeholders' calls for MISO to push back a FERC filing until later in 2024.

MISO said it will file by March to employ a direct loss of load approach to accreditation by the 2028/29 planning year, when capacity credits will be determined by a combination of individual past performance and a resource-class average performance during risky hours for different types of generation. Most MISO resources will see their capacity values shrink under the new method. (See *MISO Defers Unpopular Capacity Accreditation Filing, Remains Committed to Design*.)

Neil Shah, MISO | *© RTO Insider LLC*

At a Jan. 17 Resource Adequacy Subcommittee meeting, MISO's Neil Shah said the RTO began discussions on accreditation two years ago, right after it rolled out its first attempt at availability-based seasonal accreditation for thermal resources only.

Since RASC meetings in 2023, MISO has modified its proposal to include an expanded set of hours beyond loss of load hours that it will draw on to gauge generator availability for accreditation. Those will include low-margin hours where the reserve margin comes within 3% or less of load. The inclusion of more hours is meant to cut down on volatile accreditations year over year. Nevertheless, the loss of load hours will carry more weight in establishing capacity credits.

MISO's FERC filing will leave some unfinished business with stakeholders: The RTO won't define resource classes in the filing or how it will divvy up its planning reserve margin requirement into obligations among load-serving entities.

"MISO's plan is to not define specific resource classes in its tariff. The idea is we will include criteria on how to define resource classes, and we will work with you all in the coming months to flesh out details," Shah told stakeholders.

Shah said MISO's final definition for resources classes will be contained in business practice manuals only.

MISO likewise will hold off on detailing exactly how it will allocate its planning reserve margin requirement (PRMR) to load-serving entities, leaving that to a later, separate filing. MISO previously said its direct loss of load accreditation could change how MISO allocates its PRMR among its load-serving entities. Today, MISO metes out its PRMR on a load-ratio share.

A new allocation would depend in part on how MISO ultimately defines resource classes. Shah said there's no need for MISO to include the PRMR allocation in filing, as it originally proposed.

Sustainable FERC Project's Natalie McIntire said she worried MISO's resource class definitions would be too vague at the time of filing for stakeholders to be confident in how their resources would be classified and therefore accredited.

Shah said working out how resources would be grouped is a matter of technical details.

"The details are what stakeholders are going to judge for whether we can support this proposal," McIntire countered.

WPPI Energy's Steve Leovy agreed that MISO's proposed tariff language to group resources by similar technologies and operating characteristics is "extremely slim."

Minnesota Power's Tom Butz said MISO seemed in a rush to file the accreditation while, Entergy's Wyatt Ellertson asked MISO to allow a few more months to get stakeholders more comfortable with the proposal.

"I'm hearing honest requests from stakeholders. These are not delay tactics," Ellertson said.

"I'm hoping that by now we've made the case as to why capacity accreditation is an important step to mitigate, especially in the resource transition," Executive Director of Market and Grid Strategy Zak Joundi said.

Joundi said utilities appear to be in the midst of integrated resource planning and charting future portfolios. He said it's valuable for market participants to be able to make investment decisions with a clear view of future accreditation values.

"That's what the rush is all about," Joundi said.

But *MidAmerican Energy's* Dehn Stevens said the accreditation's implementation date in the

Rendering of DTE Energy's Slocum Battery Energy Storage project in Michigan | *HDR Inc.*

2028/29 time frame seems to set LSEs up for "failure" because they won't be able to get new resources lined up in time in MISO's generator interconnection queue. Stevens said a date closer to 2030 is more appropriate and would allow LSEs time to prepare different types of resources if necessary to meet summer requirements in five years.

Shah said though some LSEs "will be in a bind" and should plan better, the accreditation would give valuable investment signals to utilities. He said though stakeholders might want a later implementation, the 2028/29 target date strikes the right "balance" between MISO, utilities and the energy transition.

Joundi agreed a three-year transition will give companies time to adjust investments.

Alliant Energy's Jamie Niccolls said MISO could find itself in a "real weird situation" if FERC were to approve the PRMR allocation method based on the new accreditation but not the accreditation filing itself.

Shah said MISO will make sure FERC approved the accreditation process before it proposes a PRMR allocation to LSEs.

Shah also said MISO will tackle how to manage data transparency in the new accreditation process, devising measures to share data and modeling with utilities in the coming months.

Staff and stakeholders will continue to discuss the accreditation plan leading up to MISO's filing. ■

MISO News

MISO Ditching Never-used Weather Curve Offer Style

By Amanda Durish Cook

Consumers Energy's Jackson Generating Station | *Consumers Energy*

CARMEL, Ind. — MISO said it will file by the end of the month to scrap a clunky and all-but-abandoned generator offer style from its tariff.

The RTO hopes to eliminate the unused *weather curve* offer function and associated software by March with FERC's permission. The grid operator said no market participant has ever used the option since its inception in 2009.

"When I say little-used, I mean never-used," MISO's Dave Savageau said during a Jan. 18 Market Subcommittee meeting. "It's actually less usable, less flexible than normal hourly offers."

Until now, MISO combustion turbine and combined cycle generators could have selected a "weather point" — or their megawatt limits according to temperature — during asset registration and submitted weather curves to dynamically set their hourly economic maximum and emergency maximum values in the real-time market based on forecasted temperatures. However, it would have been up to the unit owner to submit a daytime and nighttime temperature estimate apiece daily through MISO's market user interface.

The tool wasn't a "set and forget," MISO said, because it still was on market participants to submit two temperature points daily for MISO to create hourly maximum limits based on the unit's weather curve.

MISO said the two single daytime and nighttime temperature points produced less-accurate forecasts compared to its normal hourly offer parameters. And since the weather curves covered only economic maximum values, market participants still had to submit minimum hourly offers separately.

Stakeholders attending the subcommittee meeting had no comments or questions on MISO's plan to discard weather curve functionality. ■

MISO News

MISO Holds Steady in Mid-Jan. Storm with Help from Wind

By Amanda Durish Cook

MISO dodged the need for emergency procedures during a mid-January cold blast that brought consecutive days of subzero temperatures to the Midwest.

And both MISO and the Independent Market Monitor credit the wind fleet with playing a key role in keeping the system reliable.

MISO likely achieved its systemwide winter peak of 106 GW as the arctic air dragged on Jan. 17.

At a Jan. 18 Market Subcommittee meeting, MISO's Tim Aliff said the South region set a new wintertime peak of 32.3 GW on Jan. 17, unseating the previous 31.8-GW record set in late 2022. That day, Baton Rouge bottomed out at 19 F, outstripping the day's previous record of 20 F set in 1905. Other Louisiana cities logged record low temperatures for the day, *toppling* previous records set either nearly 120 years or more than 50 years ago.

MISO enacted a cold weather alert and conservative operations beginning Jan. 13 and lifted them Jan. 18 and Jan. 17, respectively. The grid operator never was forced to escalate instructions to a maximum generation alert or warning as cold gripped the entire footprint.

Aliff said MISO experienced "robust reserve margins" during the storm that varied between 14-19 GW and were generally available within four hours or less. He said thermal generation performed well throughout the event, with up to 2 GW of derates, compared to the approximately 10 GW in derates that occurred in late 2022 during Winter Storm Elliott.

Wind generation also made healthy contributions during the storm, Aliff said, varying between 12-20 GW.

Potomac Economics' Carrie Milton, representing MISO's Independent Market Monitor, said the week's weather qualified as an extreme event that the Monitor analyzes in seasonal assessments for emergency potential. Milton said high wind output kept MISO out of emergency conditions; the Monitor had predicted ahead of the season that MISO would require emergency actions if it experienced nearly identical conditions to the storm.

"We got a lot of support from wind, much higher than [unforced capacity] values," Milton said. She said there were fewer instances of cold weather cutoffs and icing among the wind fleet than the Monitor anticipated.

MISO will deliver a more comprehensive picture of its operations during the event at the Jan. 25 Reliability Subcommittee meeting. ■

We Energies crews restoring power Jan. 14 | *We Energies*

MISO News

Xcel Says Coal Retirements on Track Despite South Dakota PUC's Plea for Extensions

By Amanda Durish Cook

Xcel Energy insists its plan to retire two Minnesota coal plants won't mar reliability even though the South Dakota Public Utilities Commission sent a letter urging the utility to hold off on shutting down the units.

The South Dakota PUC asked Xcel in a *letter* this month to reconsider its planned closures of the Sherburne County Generating Station (Sherco) and Allen S. King coal plants in Minnesota.

"Closing these plants will take nearly 3 GW of reliable dispatchable electricity generation off the [MISO] grid precisely at a time when those resources will be needed the most to keep electricity flowing 24/7/365 throughout Xcel and MISO's footprint," South Dakota commissioners wrote to Xcel. "Premature closure of these plants adds to the uncertainty of electric generation resource adequacy in the upper Midwest including Xcel's customers in South Dakota."

South Dakota commissioners cited NERC's finding in its Long-Term Reliability Assessment that the MISO footprint could face a 4.7-GW shortfall through 2028.

"Evidence is mounting that the premature closure of dispatchable generation will elevate the risk of electricity outages, particularly in tight load hours including hours of extreme cold and extreme heat, as well as those hours when wind generation is low," the commissioners wrote.

Commissioners also expressed concern South Dakota ratepayers may bear the costs of closing the plants early. They said Xcel said in a docket that choosing not to operate the two coal plants for the duration of their useful lives paired with a decision against extending the Prairie Island nuclear plant could cost customers $453 million more than keeping the plants open.

"We do not want Xcel to be part of the impending problem of [a] generation shortage in the MISO footprint. Reliability should be your number one commitment!" commissioners told Xcel leadership.

Xcel, however, said both the PUC and it are taking threats to reliability seriously and that it appreciates the feedback on plans to decommission its coal plants by 2030.

"We are in alignment with the commission's priority to ensure reliability throughout the clean energy transition and ensure South Dakotans have a dependable supply of electricity at all times, including periods of extreme weather and high demand," Xcel said in an emailed statement to *RTO Insider*.

Sherco Generating Station | *Xcel Energy*

Xcel pointed out that it plans to infuse 2.1 GW of wind and 2.5 GW of solar onto its Upper Midwest grid by 2032 and said it has another 1.1 GW of wind and solar waiting in the wings beyond 2032. It added that its two nuclear plants will be able to complement the variable supply with dispatchable, carbon-free electricity.

Xcel also said it has plans to include 800 MW of "hydrogen-ready" combustion turbines in its generation portfolio and soon will build 500-700 miles of new transmission lines to further bolster reliability. It said it looks forward to "continuing to meet with the commission" for insight on the "complex task" of ensuring a reliable and affordable clean energy future.

Xcel remains on track to exit coal generation by the end of the decade. It officially retired the first of its coal units at Sherco on the last day of 2023, with plans to retire the other two in 2026 and 2030.

Ryan Long, president of Xcel Energy Minnesota, South Dakota and North Dakota, said there's "tremendous potential for the plant site in the Upper Midwest's energy future."

"Just as we're taking a phased approach to decommissioning the coal units, we're building replacement generation in phases to support clean, reliable and affordable energy for our customers," Long said in a press release at the time.

Xcel is building the first two phases of the total 710-MW *Sherco Solar* project adjacent to the Sherco site. It also plans to *construct* a 10-MW, 100-hour battery storage facility onsite as a pilot project from Massachusetts-based Form Energy. Xcel received a grant of up to $35 million from the U.S. Department of Energy for the battery project.

Xcel said Sherco Unit 2 is slated to become a synchronous condenser to manage system stability after retirement.

Finally, Xcel said it's proposing to build the *Minnesota Energy Connection*, a 175-mile, 345-kV transmission line in southwest Minnesota that will use existing interconnection at Sherco to connect a minimum 2 GW of wind and solar.

"There's a lot of life left at the Sherco site, and our dedicated coworkers will manage the transition over the next decade," plant director Michelle Neal said in the release. ■

Wisconsin Senate Votes to Fire Commissioner Huebner 4 Years into Job

By Amanda Durish Cook

Wisconsin's GOP-controlled Senate voted Jan. 16 to reject Public Service Commissioner Tyler Huebner's nomination to the commission — nearly four years into his time at the regulatory agency.

Until Tuesday, Huebner had been performing duties unconfirmed. Wisconsin Gov. Tony Evers (D) first appointed Huebner in 2020 to fill former Commissioner Mike Huebsch's unexpired term. Huebner's first term came and went in 2021 without a confirmation or hearing vote, and Evers re-enlisted Huebner to a new term ending in early 2027. The Senate's confirmation of Huebner subsequently was pushed into the 2023-2024 legislative session.

The 21-11 *vote* mostly along party lines to fire Huebner appeared to hinge on Republican senators' unease with Huebner's support for determining rates on customers' ability to pay and cutting carbon emissions. Some said his aims veered from strictly regulatory into policymaking.

During testimony, Sen. Julian Bradley (R) said it was a problem that Huebner used his position to be "an activist" and said state law doesn't allow the PSC the authority to enact income-based ratemaking.

Last week, the Senate Utilities and Technology Committee voted 3-2 against confirming Huebner after they questioned him in the fall over a 2022 water utility decision that established a subsidy pilot program for low-income customers and the PSC's *Strategic Energy Assessment Plan*, which modeled an 80% reduction of CO_2 emissions in the state's energy production by 2039.

Tyler Huebner | *RENEW Wisconsin*

Sen. Jeff Smith (D) said the vote to remove Huebner is "such a head-scratcher at a time when Wisconsin is experiencing an unprecedented expansion of renewable energy." He said Huebner brought valuable experience to the table.

"It is shortsighted [and] leaves us less prepared for the challenges ahead," Smith said.

Huebner is a former executive director of RENEW Wisconsin, a nonprofit dedicated to accelerating the clean energy future.

The vote throws the three-person Wisconsin PSC into upheaval. Last week, Chairperson Rebecca Cameron Valcq announced her departure from the commission effective Feb. 2 after five years. At the time, Valcq said it was the "right time for me to pass the baton as I leave the agency in very capable hands." She said the PSC had become "more transparent and accessible" during her tenure.

The exits leave freshly confirmed Commissioner Summer Strand as the sole Wisconsin regulator beginning next month unless Evers is swift with new appointees. The Wisconsin Senate *confirmed* Strand's April 2023 appointment 27-5 in the same Jan. 16 session following the vote to oust Huebner. Strand is set to succeed Valcq as chair.

In a statement released by the Wisconsin PSC, Huebner said he was "proud" of the decisions he made as a state regulator and "especially grateful" to be involved with Wisconsin's energy planning and reliability direction through his involvement with the Organization of MISO States (OMS).

"I am moving forward, and I plan to build on my work at the commission and throughout my career to tackle some of the big challenges of our times in a different capacity," Huebner said.

The Senate vote disrupts OMS leadership. In 2023, the OMS Board of Directors unanimously elected Huebner to serve as the 2024 OMS president.

Current OMS Vice President and Iowa Utilities Board Commissioner Josh Byrnes is now considered OMS president. According to OMS Bylaws, in the event of a vacancy in the office, the organization's vice president will succeed the presidency until the next annual election occurs.

OMS Executive Director Marcus Hawkins said the OMS community "will sorely miss Tyler's expertise and credibility."

A roll call vote to reject Commissioner Tyler Huebner's appointment is held at the Wisconsin Senate Jan. 16. | *WisEye*

"The high quality of his character, intellect and work ethic were a rare and powerful combination that made every OMS discussion better. His departure is a significant loss for Wisconsin and for the state regulatory community as a whole," Hawkins said in an emailed statement to *RTO Insider*.

In a press release, Evers said Huebner's dismissal continues a *trend* of legislative Republicans terminating appointees without grounds or leaving them unconfirmed indefinitely. Senate Republicans in October rejected seven of Evers' appointees to the Wisconsin Natural Resources Board, Wisconsin Elections Commission, Wisconsin Medical Examining Board and the Governor's Council on Domestic Abuse.

"Commissioner Huebner is an exemplary public servant who's dedicated to serving the people of Wisconsin and building the sustainable future we want for our state. The decision by Senate Republicans to fire him today defies justification and logic," Evers said in a Jan. 16 press release. "It's my job to appoint the best and most qualified people to serve our state — that's what I have been and will continue doing, regardless of the apparent Republican position that every appointee must agree with them 100% of the time to earn their support."

Evers said state Republicans' ongoing efforts to "harass, disparage and fire dedicated public servants is a serious threat to the basic functions of our government and democracy in our state." ■

MISO News

Christie Denounces Tx Incentive Process as FERC Approves More MISO LRTP Project Perks

By Amanda Durish Cook

Commissioner Mark Christie has used *FERC*'s latest order on transmission incentives to condemn the commission's process as requests for incentives come in fast and thick from MISO's long-range transmission projects.

This time, FERC granted Xcel Energy's ask for construction work in progress (CWIP) incentives and abandoned plant incentives for four 345-kV long-range transmission plan (LRTP) projects in South Dakota, Minnesota and Wisconsin, which allow *Xcel* to recover incurred costs in rates if the lines are canceled for reasons beyond its control (*ER24-409*).

The incentives apply to Xcel's portions of the Big Stone South-Alexandria-Cassie's Crossing project, the Wilmarth-North Rochester-Tremval project, the Tremval-Eau Claire-Jump River project and the Tremval-Rocky Run-Columbia project.

Xcel said it plans to spend up to $1.2 billion on construction for its portions of the projects. The utility said its Wisconsin- and Minnesota-based Northern States Power subsidiaries "expect to face a negative cash flow position while undergoing extensive levels of capital expenditures over the next several years" to build the *LRTP* projects.

Xcel said the *CWIP* incentive will improve cash flow and credit ratings during construction. It also said the projects carry heightened risks of abandonment because multiple utilities over multiple states are working in concert to build the lines. Xcel added that an economic downturn could hurt the chances for the lines, which were planned to serve projected, not existing, generation.

FERC agreed that the CWIP and abandoned plant incentives are "tailored to address the risks and challenges" Xcel's subsidiaries will face as they undertake the projects.

But in a concurrence, Christie repeated that FERC's granting of incentives "has become nothing more than a check-the-box exercise." Christie has become increasingly critical of transmission incentives in FERC orders allowing them for developers. (See *FERC Approves Dairyland Incentives for Minn.-Wis. Transmission Line*.)

Christie said though FERC followed its protocol to grant Xcel the incentives, it's time for FERC to revisit its CWIP and abandoned plant incentives, as well as the RTO participation adder, which he called "an involuntary gift from consumers."

Christie repeated concerns that the CWIP incentive allows utilities to recover costs before a line has been placed into service, effectively forcing customers to serve as a lender for transmission development while they earn zero in interest and even pay utilities a profit through return on equity. He also said the abandoned plant incentive makes ratepayers the "insurer of last resort" as well as the lender on projects.

"Just as consumers receive no interest for the money they effectively loan transmission developers through CWIP, they receive no premiums for the insurance they provide through the abandoned plant incentive if the project is never built," he wrote. "There is something really wrong with this picture."

Christie said he supports FERC's recent proposals contained in notices of proposed rulemaking to limit the RTO participation adder to three years after a utility has joined an RTO and eliminate CWIP incentives. He said those steps, alongside a reconsideration of the abandoned plant incentive, will "ensure that all the costs and risks associated with transmission construction are not unfairly inflicted on consumers while transmission developers and owners stand to gain all the financial reward."

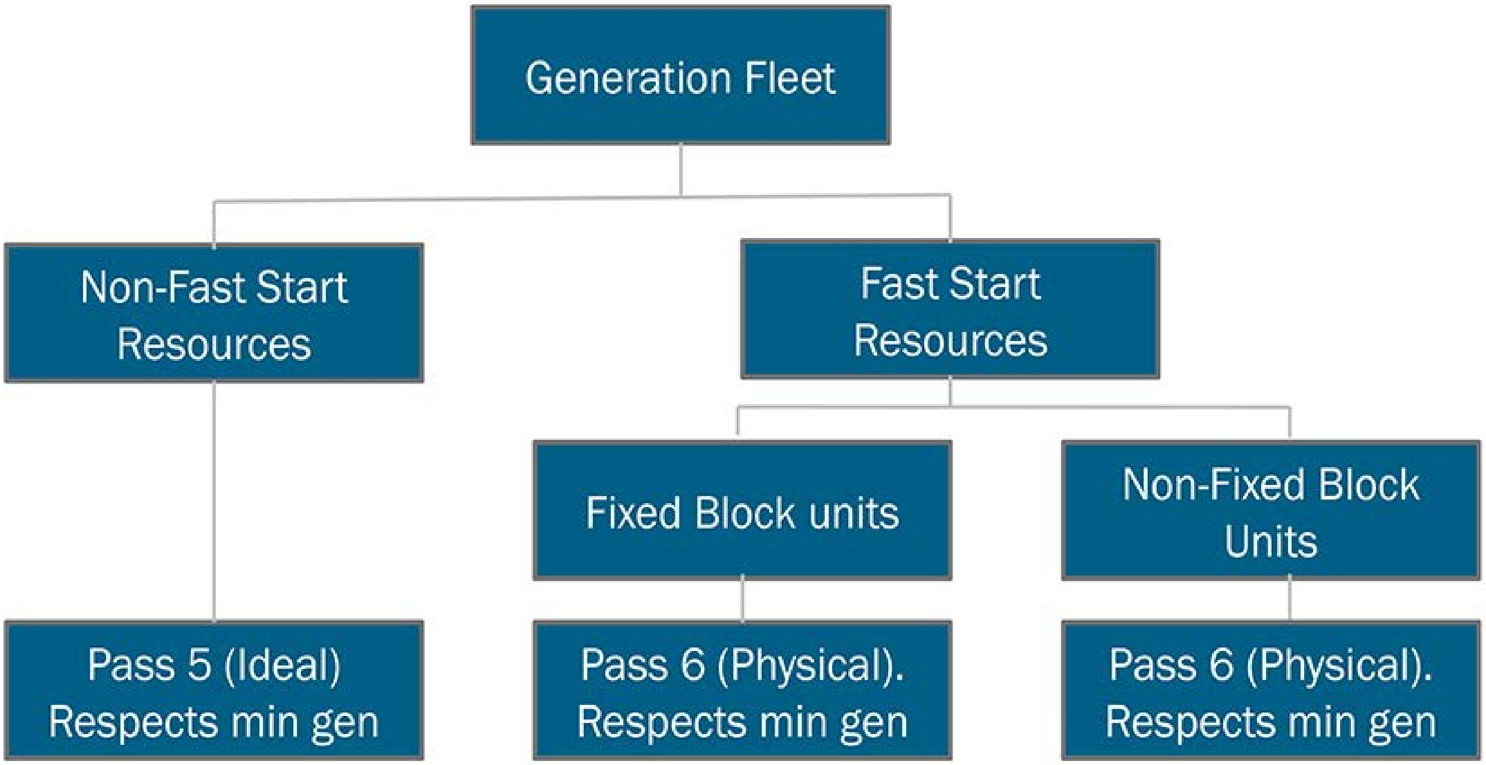
"In short, revisiting all these incentives is imperative at a time of rapidly rising customer power bills," Christie said. ■

Work on ATC and Xcel's Badger Coulee Transmission project in 2018 | *IBEW*

NYISO News

NYISO Approves Update to Fast-start Pricing in Day-ahead Market

ISO Notes Decrease in Gas Prices in Report to BIC



Proposed scheduling structure for DAM fleet generation | *NYISO*

By John Norris

The NYISO Business Issues Committee on Jan. 17 *voted* to recommend that the Management Committee approve *proposed tariff* revisions that would provide all fast-start resources with their physical schedules for the day-ahead market (DAM) to avoid scheduling them below their minimum generation levels.

The changes stem from FERC orders requiring NYISO to modify how it reflects and prices fast-start resources in its energy markets for more accurate representation of their contributions. (See *FERC Orders Fast-start Rules for PJM, NYISO*.) Although NYISO implemented the required changes, it realized that they inadvertently extended DAM eligibility to some units that are now receiving ideal schedules below their minimum generation level, potentially causing operational inefficiencies or market imbalances. (See "Enhanced Fast-Start Pricing," *NYISO OKs Changes on Hybrid, Fast Start Resources, TCCs*.)

In the DAM, the "ideal schedule" refers to a planned dispatch based on model or system predictions, whereas the physical schedule represents units' actual operational outputs, reflecting real-time electricity production.

Andres Flores, NYISO market design specialist, explained to the BIC that fast-start resources are divided into fixed-block and non-fixed-block units. Fixed-block units currently receive their physical schedules, but non-fixed block units are given their ideal schedule, which allows a unit's minimum operating limit to be relaxed to zero.

This led to a problem where some non-fixed-block units in the DAM are given ideal schedules that may result in them being scheduled below their minimum generation level. Allowing these units to receive their physical schedule in the DAM would ensure their minimum generation levels are respected.

In response to questions, NYISO said that the proposed changes would not affect the FERC-required pricing logic adjustments already in place, nor would they require major software updates.

Assuming approval from the MC, the revisions are expected to be filed with FERC in March.

December Market Operations

Nicole Bouchez, NYISO's senior principal economist, *presented* the December market operations report to the BIC, highlighting how the month's average locational-based marginal price (LBMP) was $33.67/MWh, lower than November's $34.90/MWh and significantly below December 2022's $110.17/MWh. (See "November Market Operations," *NYISO BIC Stakeholders OK Modeling, Market Design*.)

Bouchez also noted that December's natural gas prices also decreased, falling from $2.21/MMBtu in November to $2.11/MMBtu. That also marked an 83.7% year-over-year decrease in natural gas prices.

She attributed the declines to the significant drop in natural gas prices, adding how this is "not surprising, given how warm our December was." ■

NYISO News

NYISO Stakeholders Approve LCRs for Upcoming Capability Year

December Operations 'Mild'

By John Norris

NYISO's Operating Committee on Jan. 18 *approved* the final locational minimum installed capacity requirements (LCRs) for the 2024/25 capability year.

The LCRs represent the minimum amount of capacity that New York load-serving entities must maintain within each of three downstate "localities" with transmission constraints. They are expressed as the percentage of the peak load forecast: 81.7% for New York City (Zone J), 105.3% for the rest of Long Island (Zone K) and 81% for the Lower Hudson Valley, including the city (zones G to J).

As detailed by the ISO's LCR *Study*, the figures were calculated using the 22% installed reserve margin (IRM) approved by the New York State Reliability Council late last year, and transmission security limits (TSL) floors, which, respectively, establish the required reserve capacity and minimum transmission limits necessary for reliable operations.

Because the figures had already been presented to stakeholders, the OC's vote proceeded without significant discussion. (See "Final LCR Results," *NYISO Finds No Need for New Capacity Zones*.)

Results Comparison	IRM	J LCR	K LCR	G - J	LOLE (Event-days/yr)
2024 - 2025 Final LCRs	22.0%	81.7%*	105.3%*	81.0%*	0.089
2024 – 2025 FBC (Tan45)	23.1%	72.7%	103.2%	84.6%	0.100
2023 – 2024 Final LCRs	20.0%	81.7%*	105.2%	85.4%*	0.098

* TSL floor is binding

Final locational minimum installed capacity requirements for Zone J, K and G-J localities for 2024/25 capability year | *NYISO*

NYISO will now publish the final LCR values online, along with the 2024/25 locality bulk power transmission capability report, which documents the transmission capability inputs required to establish the TSLs for each locality.

December Operations

Aaron Markham, NYISO vice president of operations, told the OC that "December was quite a mild month, with no real cold snaps," which resulted in "a pretty low peak load" of 21,001 MW and a minimum load of 13,136 MW.

In his December operations *presentation*, Markham noted that New York had added 215 MW of land-based wind and 20 MW of front-of-the-meter solar resources since the previous month's report. (See *NYCA Surpasses 5,000 MW of Installed BTM Solar*.)

Markham last mentioned that New York is "in the midst of its first cold snap of 2024." This led to a peak load Jan. 17 of 22,754 MW, which was about 94% of the baseline forecast of 24,200 MW for the winter season. However, he added that "transmission and generator performance has been very good" during this period. ■

Northeast news from our other channels

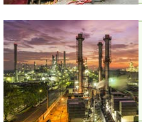
Another Federal Lawsuit Seeks to Invalidate OSW Approvals NetZero Insider

New England States Delay Offshore Wind Solicitations NetZero Insider

Mass. EJ Groups Rally Behind Permitting, Siting Reforms NetZero Insider

National/Federal news from our other channels

Biden Administration Releases Tax Credit Guidance and Funding for EVs NetZero Insider



EPA Proposes Methane Emission Penalties NetZero Insider

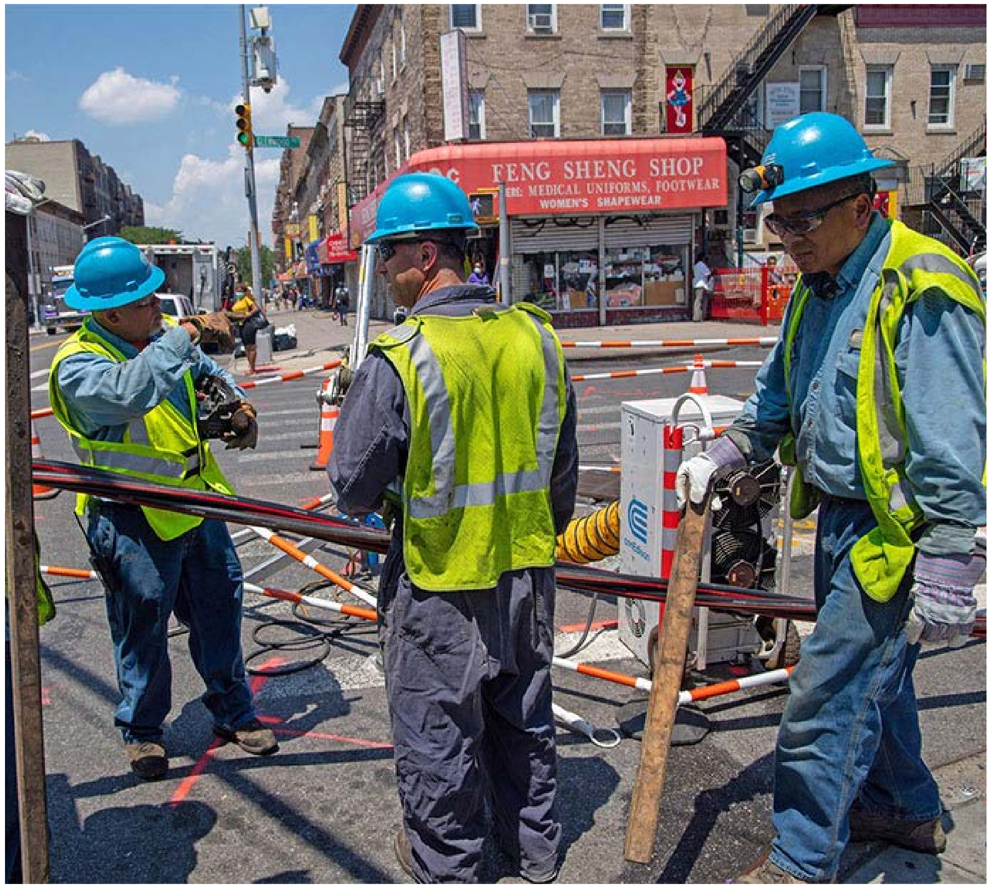
RTO Insider subscribers have access to two stories each month from *NetZero* and *ERO Insider*.

NYISO News

$1.2B Con Edison Clean Energy Upgrade Approved

Project Needed for Growing Power Demand in NYC

By John Cropley



Con Edison crews work on underground infrastructure in New York City. | *Con Edison*

Con Edison has been cleared to undertake another major system upgrade to meet growing electricity demand in New York City.

The state Public Service Commission on Jan. 18 authorized the utility to proceed with its Idlewild Project, a $1.2 billion package that will add two substations and an electrical network in southeast Queens (*Case 22-E-0064*).

It is part of Con Edison's *Reliable Clean City* initiative, through which the utility separately is making an $800 million investment in infrastructure. Those upgrades; the Idlewild Project; and the $810 million Clean Energy Hub the PSC authorized in 2023 all are designed to enable and prepare for the clean energy transition and its greater demand for electricity. (See *Con Ed Completes 300-MW Line for Cleaner NYC Grid* and *NY PSC Approves $810M Con Ed Clean Energy Hub in Brooklyn*.)

Con Edison serves one of the most expensive and densely built places in the nation, and the cost of transitioning from fossil fuel to electricity likely is to be quite high. In a *mid-2023 update*, it valued its present investment plan at $11.8 billion.

Commissioner Diane Burman cited the financial impact on New Yorkers from the ongoing series of expensive projects statewide before she cast the lone dissenting vote on the Idlewild Project at Thursday's meeting.

"I do not think it is sustainable, as we do more electrification — whether it is this company's territory or other companies' — that the ratepayers bear the bulk of this," she said.

In its petition, Con Edison said the Jamaica service network is the largest among its networks electrically and has the highest peak demand. The utility predicts that without changes, peak demand could exceed its 492-MW design capacity by as much as 6 MW in 2026, 30 MW in 2030 and 51 MW in 2032, with peak load shedding starting in 2028.

It proposed to split the Jamaica network into two pieces; build two substations; and transfer 170 MW to the Idlewild Project.

The work not only will address reliability needs as buildings and transportation are electrified but create points of interconnection for future clean energy projects and for the energy storage the utility seeks to add in the area.

Con Edison said it considered non-wire alternatives to the proposal and is pursuing them for 2026-27, but they will be insufficient to meet anticipated growth in the Jamaica network.

Con Edison also said transferring load to neighboring substations was not an option, as they, too, are at capacity. The network includes the nation's sixth-busiest airport, third-busiest train station and four major bus depots with a combined 700 buses. The Metropolitan Transportation Authority plans to electrify its bus fleet, most of the trains already are electrified, and the Port Authority of New York and New Jersey has set a net-zero emissions target for John F. Kennedy Airport.

In a *news release*, Con Edison flagged the gradual electrification of medium- and heavy-duty fleets in the area as a driving force behind the Idlewild Project and said air quality would improve as a result.

"By investing in our Reliable Clean City-Idlewild project," CEO Tim Cawley said, "we are building New York's clean energy infrastructure while creating good jobs, advancing New York's climate goals and ensuring that our grid remains reliable for customers in Southeast Queens for decades to come."

The project budget breaks down to three components:

- The new Idlewild Distribution Area Substation, estimated cost $380 million, target in-service date May 2028;
- The new Eastern Queens Transmission Substation, estimated cost $592 million, in-service date April 2028; and
- The new Springfield Network, cost $242 million, in-service date not specified.

Con Edison serves 3.6 million customers in the five counties of New York City and a suburban county to the north. ■

NYPSC Approves Advanced Transmission Tech Working Group

By John Norris

The New York Public Service Commission on Jan. 18 *approved* the establishment of a utility-led working group to identify, study and deploy new clean energy technologies essential for achieving the state's net-zero goals (*20-E-0197*).

At its monthly *meeting*, the PSC approved the Advanced Technology Working Group (ATWG) to vet advanced transmission technologies and develop deployment strategies, as required by the Accelerated Renewable Energy Growth and Community Benefit Act. The law directed the commission to identify system upgrades necessary to achieve the mandates set forth in New York's Climate Leadership and Community Protection Act (CLCPA).

Proposed by some of the state's largest utilities, known collectively as the *Joint Utilities* (JUs), the ATWG originated from their *Research and Development Plan for Advanced Distribution and Transmission Technologies* (R&D Plan), submitted to the PSC in July 2022. According to the JUs, the ATWG will "ensure that the necessary policies, procedures and standards exist to address technical, process, regulatory and economic concerns related to modern and innovative technologies."

The ATWG's primary focus is to explore and analyze technologies that will aid in meeting the CLCPA mandates, concentrating on dynamic line ratings, power flow control and energy storage in the near term.

Additionally, the group will support the Coordinated Grid Planning Process (CGPP), a two-year, six-stage framework initiated by the PSC last year with the aim of enhancing collaboration among New York's stakeholders and aligning transmission system development with the state's decarbonization goals. The ATWG will assess the viability of technologies proposed through the CGPP by stakeholders in forums such as the Energy Policy Planning Advisory Council (EPPAC). (See *NY Utilities Propose Plan to Coordinate Decarbonization Efforts* and *NY Policy Council Holds Inaugural Meeting to Discuss CGPP*.)

The PSC directed the JUs to submit a revised version of the proposed ATWG plan within 30 days.

Role and Requirements

In their R&D Plan progress *report*, the JUs highlighted the ATWG's role in not only examining potential future technologies but also in standardizing their development and adoption throughout New York.

The PSC's order underscores the ATWG's importance within the broader transmission planning process, recognizing the group's "critical role to play in identifying advanced technology applications that will help reduce the cost of new transmission infrastructure developed through the CGPP."

Additionally, the JUs noted that the ATWG is expected to help "develop tools and methodologies to evaluate and apply advanced technologies as part of potential non-wires alternative solutions."

ATWG staff held their first technical *conference* in April, primarily *presenting* an overview of the group and its objectives rather than discussing any specific technologies. The PSC mandated that the ATWG conduct at least one open call for stakeholders to submit advanced technology proposals before another technical conference, which must be held in the first half of 2024. The ATWG must then file an initial assessment of the submitted proposals within 60 days of the conference's conclusion.

Starting in 2025, the ATWG must annually publish a calendar of its activities by Jan. 31 of each year. These reports will include assessments of technologies under review, results of relevant studies, budget allocations and recommendations for technology deployment by utilities.

Commissioner Comments

The commission unanimously approved the order, though some commissioners expressed concerns.

Commissioner Diane Burman said she worried about the increasing number of groups and task forces involved in implementing state law, risking diminished public transparency and collaboration. She urged the creation of a single "regularly updated" document that cohesively details all the ongoing work or issues addressed by each of the groups, stressing the need for these efforts to be "coordinated, seamless and not have everybody doing something siloed."

She also warned state agencies against inadvertently favoring certain technologies or developers over others, saying, "We cannot be picking winners and losers."

Commissioner John Howard pointed out that while he understood the need to examine "other technologies down the road," he argued that "this should in no way slow down the progress of what is already available today."

He encouraged transmission owners and developers to adopt "these very proven and very cost-effective technologies as quickly as possible," adding that "in pursuit of the excellent, let's not leave some really good stuff on the side."

Chair Rory Christian said the PSC's decision to approve the ATWG "will ensure the state's investments take advantage of cost-saving and efficient new transmission technologies." ■

From left: New York PSC Commissioners Diane Burman, Chair Rory Christian and John Howard | *NYPSC*

PJM News

FERC Partly Grants Challenges to AEP Rates

By Devin Leith-Yessian

| © RTO Insider LLC

FERC on Jan. 18 partly granted two formal challenges against AEP utilities arguing that benefits from filing consolidated tax returns were not properly reflected in the utilities' 2021 formula rates in SPP and PJM.

The challenge to the rates filed by AEP subsidiaries in SPP — AEP Oklahoma Transmission and AEP Southwestern Transmission — argued that AEP's calculation of accumulated deferred income taxes (ADIT) inflated the annual transmission revenue requirement (ATRR) in its 2021 rates by around $22 million. That complaint also argued that AEP incorrectly designated several expenses as falling into the ADIT bucket, increasing the net operating losses that can be used to offset income in future tax years.

The SPP challenge was jointly submitted by Arkansas Electric Cooperative Corp., East Texas Electric Cooperative, Northeast Texas Electric Cooperative and Golden Spread Electric Cooperative. (ER17-405, ER18-194.)

In PJM, several electric cooperatives submitted a challenge arguing that the ADIT calculation inflated the ATRR by $55.9 million.

The PJM challenge was jointly filed by American Municipal Power, Blue Ridge Power Agency, Indiana Municipal Power Agency, Mishawaka Utilities, Old Dominion Electric Cooperative and Wabash Valley Power Association against rates detailed in the annual update submitted by AEP Appalachian Transmission, AEP Indiana Michigan Transmission, AEP Kentucky Transmission, AEP Ohio Transmission and AEP West Virginia Transmission.

FERC's Jan. 18 order found that AEP's approach of including net operating loss carryforward ADIT as deferred tax inputs to its rate base did not pass the "benefits and burdens" test, which requires that tax benefits resulting from expenses paid by ratepayers be assigned to those ratepayers. The commission found that by not accounting for the benefits of filing consolidated tax returns in the net operating loss carryforward, AEP had calculated inflated ADIT input adjustments that resulted in higher transmission rates.

AEP argued that the benefits of filing consolidated tax returns do not result from a burden to ratepayers and therefore should not be assigned to them.

The challenge to rates filed by AEP's SPP subsidiaries disputed several expenses the utility included in Account 928, which is meant to record regulatory commission expenses. The commission denied the challenge in part, finding that in most cases, AEP had properly explained the expenses, but required compliance filings within 60 days to provide more detail on others, such as the use of the allocation of fees to transmission using a gross plant allocator.

The challenge to the AEP subsidiaries in PJM argued that the utilities also improperly included ADIT assets in its rate base that were the result of over-recovered ratepayer funds. The commission granted the challenge, finding that "because the underlying refund amounts associated with the ADIT asset recorded in Account 190 are not included in rate base, the associated ADIT asset and excess or deficient ADIT should not be included either. The related ADIT must be excluded if the associated refund amounts are excluded from rate base."

The commission's order required AEP to submit a compliance filing within 60 days that details the calculations for the formula rate billings in the 2020 and 2021 annual updates and issue refunds for any improperly collected revenues. It also directed AEP to submit a compliance filing explaining how it includes ADIT related to contributions in aid of construction (CIAC) in its formula rate. ■

PJM MRC/MC Preview

Below is a summary of the agenda items scheduled to be brought to a vote at the PJM Members Committee meeting Wednesday. Each item is listed by agenda number, description and projected time of discussion, followed by a summary of the issue and links to prior coverage in *RTO Insider*.

The Markets and Reliability Committee is also scheduled to meet from 9 to 9:40 a.m. ET, but its agenda does not contain any endorsements or voting items. *RTO Insider* will be covering the discussions and votes. See next week's newsletter for a full report.

Members Committee

Consent Agenda

The committee will be asked to endorse as part of its consent agenda:

B. tariff and Operating Agreement revisions to implement PJM's proposed overhaul of its regulation market. The new design would use a single price signal and rely on two products representing a resource's ability to adjust its output up or down. (See "PJM Presents Regulation Market Rework," *PJM MRC/MC Briefs: Dec. 20, 2023*.)

Issue Tracking: *Regulation Market Design* ■

— Devin Leith-Yessian

PJM News

LS Power Purchasing 810-MW Combined Cycle Generator in Pa.

LS Power has entered into an agreement with Platinum Equity to purchase the 810-MW gas-fired Hunterstown Generating Station in Adams County, Pa.

"Hunterstown will join LS Power's fleet of flexible gas-fired generation, a portfolio of assets with the dynamic ramping attributes critical to a successful clean energy transition," LS Power Generation President Nathan Hanson said Jan. 16 in an *announcement* of the transaction, which is expected to close in the second quarter of this year.

Located in PJM's Met-Ed region, the combined cycle generator is configured with three combustion turbines and a steam turbine. LS Power could not be reached for comment.

LS Power CEO Paul Segal said natural gas generators will continue to be necessary to maintain grid reliability as demand accelerates.

"In order to decarbonize the electric grid in a reliable, affordable and responsible manner, we will need to continue utilizing efficient, flexible gas-fired generation, for which our fleet is well positioned, to help accelerate the clean energy transition by managing the intermittency of renewables," Segal said.

In a separate *announcement* of the deal, Platinum co-President Louis Samson said the facility has been a strong source of revenue for the private equity firm. Platinum *acquired* Hunterstown from NRG Energy in 2018 for $520 million.

Hunterstown Generating Station in Adams County, Pa. | *Platinum Equity Advisors*

"Hunterstown is an outstanding asset that has benefited from meaningful investment under our watch and has performed well operationally during our ownership," Samson said.

The financial details of the transaction were not disclosed in either company's announcement. ■

— Devin Leith-Yessian

Former Md. PSC Chair Stanek Joins PJM Government Relations

By Devin Leith-Yessian

PJM has hired former Maryland Public Service Commission Chair Jason Stanek to lead the RTO's state government policy and state solutions teams.

"PJM's work with states has been critical to helping states preserve reliability of the system as we move forward through the energy transition," Stanek said in a *statement* announcing the hire. "I look forward to building on this solid foundation with some insight into what states need to succeed."

The hiring is part of PJM's effort to boost relations with state and federal governments by restructuring the State and Member Services departments, led by Senior Vice President Asim Haque, into the Government and Member Services branch.

"Jason brings a wealth of experience to PJM that will benefit both PJM and its stakeholders," Haque said in the announcement. "He was a thoughtful, knowledgeable and independent regulator who will further bolster the depth and breadth of our engagement."


Former Maryland Public Service Commission Chair Jason Stanek has joined PJM to lead its state government policy and state solutions teams. | © *RTO Insider LLC*

Maryland PSC spokesperson Tori Leonard said the commission saw growth in its electric vehicle, renewable energy and consumer protection programs during Stanek's leadership.

"Chairman Stanek's tenure was notable for the commission's embrace of novel ratemaking practices, specifically multiyear plans; promoting retail energy competition with progress on supplier consolidated billing, as well as tougher enforcement against suppliers who violated the commission's consumer protection rules; greater grid reliability; and advancing the state's clean energy policies, including investment in energy battery storage, and support for the development of solar and offshore wind," Leonard said. "As an EV driver and advocate, he was particularly proud of the PSC's efforts to advance electric vehicle adoption by supporting the build-out of a statewide public charging network."

Stanek was PSC chair from July 2018 through 2023, during which time he served on several working groups as a member of the National Association of Regulatory Utility Commissioners (NARUC), including its Joint Federal-State Task Force on Electric Transmission and the Electric Vehicle Working Group. He was also a board member of the Regional Greenhouse Gas Initiative (RGGI) and the Keystone Policy Center.

Prior to joining the Maryland commission, Stanek was senior energy counsel for the U.S. House Committee on Energy and Commerce and was branch chief of electric power markets at FERC between 2014 and 2017. ■

Company Briefs

MVP Seeks Changes to Pipeline's Southgate Extension

According to a Dec. 29 letter from Mountain Valley Pipeline to FERC, the developers intend to cut the length of MVP Southgate in half, have substantially fewer water crossings and eliminate the need for a new compressor station in Virginia. However, the project would be physically larger and carry more gas.

The length would be cut from 75 miles to 31 miles, while the pipe's diameter would increase from 16 and 24 inches to 30 inches.

The letter describing the changes came 10 days after FERC issued a three-year extension of the project's federal certification.

More: *Inside Climate News*

Ford Cuts Production of F-150 Lightning Pickup

Ford on Jan. 19 said it is cutting production of its F-150 Lightning electric pickup after weaker-than-expected EV sales growth.

Ford sold more than 24,000 Lightnings last year, up 55% from 2022; however, dealers are reporting slower sales and rising inventories on the truck.

The company said that about 1,400 workers will be affected by the move to lower production, with the Rouge Electric Vehicle Center transitioning to one shift, effective April 1.

More: *The Associated Press*

Spire Announces Purchase of Interconnecting Gas Pipelines

St. Louis-based natural gas utility Spire on Jan. 19 announced it completed the purchase of two interconnecting gas pipelines for $175 million.

Spire said that through its deal with CorEnergy Infrastructure Trust it will acquire both the MoGas Pipeline and the Omega Pipeline. The interstate MoGas Pipeline is a 263-mile pipeline system located mainly in Missouri, where it reaches from the St. Louis area to the central part of the state. The Omega Pipeline is a distribution system that covers about 75 miles and primarily serves Fort Leonard Wood, the large Army training base in south-central Missouri.

More: *St. Louis Post-Dispatch*

Scale Microgrids Acquires 500 MW of Distributed Solar Projects

Scale Microgrids on Jan. 17 announced it has entered into an agreement with Gutami to acquire 500 MW of distributed solar and storage projects across the U.S.

The agreement calls for Gutami to develop 500 MW of energy transition infrastructure assets, while Scale Microgrids will acquire, finance and own the community solar assets. The assets are expected to reduce annual CO_2 emissions by about 800,000 tons.

More: *pv magazine*

Swinerton Settles Clean Water Rules Case

U.S. construction company Swinerton, which built solar farms across the country, will pay $2.3 million in penalties to settle claims that it violated federal and state water protections in Alabama, Idaho and Illinois, the Department of Justice and EPA said Jan. 17.

Swinerton agreed to pay the penalty and undertake mitigation measures for its alleged Clean Water Action violations during the construction of solar farms in the three states that began in 2016.

A complaint alleged that Swinerton did not have its building sites inspected by qualified personnel and failed to accurately address or report stormwater issues at its solar farms in the three states. At the Alabama and Idaho sites, the complaint said Swinerton's actions led to large amounts of stormwater discharges in nearby waterways.

More: *The Associated Press*

Federal Briefs

TVA Hits Peak, Record-setting Demand

The Tennessee Valley Authority broke its peak record demand Jan. 17 at 8 a.m., when it produced 34,526 MW.

The previous record was 33,482 MW in August 2007.

More: *WRCB*

Pentagon to Install Rooftop Solar Panels

The Defense Department on Jan. 17 announced it will install solar panels on the Pentagon as part of the Biden administration's plan to promote clean energy and "reestablish the federal government as a sustainability leader."

The Pentagon is one of 31 government sites that are receiving $104 million in grants that are expected to double the amount of carbon-free electricity at federal facilities and create 27 MW of clean energy capacity, the Energy Department said.

The funding is the first of three disbursements expected from the Assisting Federal Facilities with Energy Conservation Technologies program included in the 2021 infrastructure law.

More: *The Associated Press*

Report: Kerry to Leave Biden Administration, Help Campaign

John Kerry, the U.S. special presidential envoy for climate, will leave the Biden administration later this winter to help the president's 2024 campaign.

Kerry, the former Secretary of State and chairman of the Senate Foreign Relations Committee, plans to tell the climate story in the context of Biden's campaign. He is working with White House Chief of Staff Jeff Zients on transitioning out in the coming months.

More: *Axios*

BLM Seeks Input on Dodge Flat II Solar Energy Center

The Bureau of Land Management on Jan. 19 announced it is seeking public comments for the proposed Dodge Flat II Solar Energy Center in Washoe County, Nev.

The project would consist of the construction, operation and eventual decommissioning of PV solar modules, a battery storage

system, generation tie-line and associated facilities necessary to generate up to 200 MW. The expected life of the project is 30 years.

The 30-day scoping comment period will close Feb. 23.

More: *BLM.gov*

State Briefs

CALIFORNIA

PUC Rejects SCE's Electrification Plan

The Public Utilities Commission last week rejected Southern California Edison's four-year electrification plan.

The PUC argued that the $200 million plan would have raised rates too much in the short term.

The state has set a goal to electrify 80% of buildings by 2035, and SCE had plans to install more than 250,000 heat pumps and heat pump water heaters.

More: *California News Service*

COLORADO

Turbine Collapses, Burns at Wind Farm

One of 19 turbines in the Spring Canyon II project folded in half and caught on fire Jan. 11.

Personnel from the Peetz and Crook all-volunteer fire departments responded. Employees of Invenergy, which operates the wind turbine field, were already at the site when firefighters arrived, according to District Chief Steven Schumacher.

The incident was reported at 8 a.m. No injuries were reported. Oil and grease from the generator caught fire following the collapse.

More: *KCNC*

GEORGIA

Georgia Power Says it Needs More Energy

The Public Service Commission heard arguments Jan. 16 from Georgia Power, which says record levels of industrial growth in the state mean the utility needs permission to radically increase the amount of electricity it produces.

In the documents describing its request to amend the plan for generation approved by the PSC just two years ago, Georgia Power cited $24 billion in new industrial investment as the reason its projected demand will multiply 17 times by 2030.

Georgia Power's request won't be considered by the PSC until April.

More: *Georgia Public Broadcasting*

MISSISSIPPI

Legislators Approve Incentives for EV Battery Factory

State lawmakers gave broad, bipartisan approval Jan. 18 to incentives for a factory that will manufacture EV batteries.

Three of the four companies involved — Accelera by Cummins, Daimler Truck and PACCAR — will each own 30% of the project. China-based lithium battery maker EVE Energy will own 10%. The companies intend to invest about $1.9 billion for the plant, which would be the second-largest corporate investment in Mississippi history.

The incentive package amounts to about $365 million, which includes costs of site development at the Chickasaw Trails Industrial Park.

More: *The Associated Press*

MONTANA

NorthWestern Energy Imports Electricity During Arctic Blast

NorthWestern Energy, which delivered nearly 1,200 MW of electricity at peak hours during the recent Arctic freeze, had to import energy to meet the spike in demand.

On Jan. 13 and Jan. 14, demand climbed to nearly 1,190 MW. Without any wind or solar to accompany it, NorthWestern saw a generating deficit of nearly 600 MW, which forced it to import more electricity from outside markets. The deficit lasted for five days.

More: *KTVQ*

NEBRASKA

Scotts Bluff Board Approves 6-month Halt on Renewable Permits

The Scotts Bluff County Board on Jan. 16 approved a 6-month moratorium on any new conditional use permits related to renewable energy projects.

Commissioner Charlie Knapper said the moratorium would provide time for changes to the county comprehensive plan or related zoning regulations and provide more advance clarity to minimum standards.

The moratorium can be extended an additional six months.

More: *KNEB*

SOUTH DAKOTA

Committee Endorses Adding Hydrogen Pipelines Under PUC

A bill that would require hydrogen pipelines to go through the permitting process with the Public Utilities Commission passed the House Commerce and Energy Committee by a 13-0 vote Jan. 12 and will now move to the House floor.

PUC commissioner Chris Nelson said carbon dioxide pipelines were added under the PUC in 2009 by lawmakers but it took more than 10 years before someone applied to build one in the state. There are no current plans or applications for a hydrogen pipeline.

More: *KELO*

VERMONT

Court Upholds Vermont Gas' Purchase of Methane from NY Landfill

The state Supreme Court on Jan. 12 rejected a lawsuit seeking to block Vermont Gas Systems' purchase of methane from an upstate New York landfill.

The court sided with the Public Utility Commission, which in 2022 let the utility enter into a 14.5-year contract to purchase the methane produced at the Seneca Meadows landfill in the Finger Lakes region. Vermont Gas claimed the contract would help it reduce carbon emissions from the gas it sells by increasing its amount of lower-carbon "renewable natural gas."

The case was brought by Bristol environmental attorney James Dumont on behalf of Burlington resident and climate activist Catherine Bock, who argued the PUC should not have approved the sale because it would increase her gas rates without accomplishing the state's emission reduction goals.

More: *Seven Days VT*

Scott Taps McNamara to Chair PUC

Gov. Phil Scott (R) on Jan. 19 announced the appointment of Ed McNamara, formerly a lawyer for the Agency of Natural Resources, as the new chair of the Public Utility Commission.

McNamara worked on a range of legal issues at the agency, which includes the Department of Environmental Conservation, the Department of Forests, Parks and Recreation, and the Fish & Wildlife Department. Before his time there, he worked on energy issues for 20 years at the Department of Public Service, which represents the state before the PUC.

McNamara replaces Anthony Roisman, who had held the position since 2017.

More: *VT Digger*

VIRGINIA

Dems Propose Budget Language to Return State to RGGI

Two Democratic party leaders introduced budget amendments Jan. 21 that would require Virginia to rejoin the Regional Greenhouse Gas Initiative despite the continued push by Gov. Glenn Youngkin (R) to withdraw from it.

The amendments requested by House Majority Leader Charniele Herring (D) and Senate Majority Leader Scott Surovell (D) state that no funds "shall be used to take any action that impedes or otherwise interferes with Virginia's rejoining of the Regional Greenhouse Gas Initiative or continued participation."

Even though Democrats hold narrow control of both the House and the Senate this session, top House Republican budget negotiator Del. Barry Knight said getting the amendments fully approved will be a "hard push."

More: *Virginia Mercury*

Mountain Valley Pipeline Nears Completion

In a Jan. 3 filing with the Securities and Exchange Commission, Mountain Valley said it "has continued to make significant forward construction progress" and remains on target to have its 303-mile natural gas pipeline completed by the end of March.

Rather than reduce its workforce to about 500, as it originally planned, Mountain Valley says up to 2,000 workers remain on the job along the pipeline's route, which takes it from northern West Virginia, through the New River and Roanoke valleys, to connect with an existing pipeline near the North Carolina line.

More: *The Roanoke Times*

PW Digital Gateway Opponents Sue to Block Data Center Corridor

A group of Gainesville-area residents and activist organization American Battlefield Trust on Jan. 12 sued Prince William County and two tech developers to block construction of the PW Digital Gateway, which is expected to become the largest data center corridor in the world.

The residents and the nonprofit alleged it was illegal for the Board of County Supervisors to grant an approval of 23 million square feet of data centers along Pageland Lane near Gainesville. Plaintiffs argued their quality of life, as well as nearby historical resources, such as the Manassas Battlefield National Park, will be blemished by the data centers that will "change the properties from a rare island of rural living in Northern Virginia into a dystopian hellscape."

A county spokesperson said Jan. 12 the board had not yet been served the suit.

More: *Inside NOVA*

Senate Dems Vote Down 'Clean Cars' Repeal Bills

The Senate Agriculture, Conservation and Natural Resources Committee on Jan. 16 voted 8-6 along party lines to vote down three GOP-sponsored bills that would have rolled back the "clean cars" legislation first passed and signed into law in 2021.

The law, similar to California's, will phase in a requirement that all new cars, pickup trucks and SUVs offered for sale be 100% zero emissions by 2035, while the sale of new gas-powered cars will be banned.

Fifteen states besides Virginia and California have adopted California's zero-emissions vehicle standards, according to the DOE.

More: *The Associated Press*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